



Link Scheme Holdings Ltd

## **LINK Scheme ATM Footprint Report**

**September 2018**

**Published on 14<sup>th</sup> November 2018**

In LINK's Final Decision and Impact Assessment on the results of its Interchange Consultation, published on 31<sup>st</sup> January (<https://www.link.co.uk/about/news/link-moves-to-secure-future-of-free-atms/>), the Board of LINK set out its commitment to maintain free access to cash for many years to come through an extensive footprint of ATMs with the same coverage as now. The date of this commitment will therefore start from 1<sup>st</sup> February 2018.

This included a commitment to leave interchange unchanged for all existing free ATMs 1 kilometre or more away from another free ATM, to ensure that LINK's reduction in interchange would not give a reason for closure. These ATMs are known as Protected ATMs.

This also included a commitment to apply at LINK's discretion a premium of up to 30 pence to deal with specific problems with financial inclusion caused by loss of a Protected ATM. Should that premium not deal with the problem within 2 months an additional subsidy will be considered.

The Board has decided to publish the total number of Protected ATMs on 1<sup>st</sup> February 2018, and the number where free access has been removed through closure or by being turned into charging ATMs. Reports will be provided on a regular basis.

This report then sets out an analysis of the number of Protected ATMs no longer transacting and, after identifying where there is alternative access to cash provision (such as a Post Office counter providing free cash access), and where there is no public impact (for example, because the site was not accessible to the general public, e.g. it was within a closed company site), it shows the resultant number of sites that will be targeted for replacement with premiums. Note that where the loss is due to a security reason such as a raid, and there are no willing site owners, LINK will not plan a replacement until the security situation is judged safe again by local site retailers and ATM operators.

In addition to this, LINK also publishes on its website the number of free and charging ATMs by parliamentary constituency.

For questions about this report contact LINK at [www.link.co.uk/contact-us/](http://www.link.co.uk/contact-us/).



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	<b>Current Position</b>	<b>Net Change Since Last Month</b>	<b>Explanation/Definition</b>
Total Protected ATMs	2,364 (100%)	-1 <sup>1</sup>	Free-to-use ATMs that do not have another free-to-use ATM within 1 km.
Live ATMs	2,237 (95%)	-27	A live ATM is one that is connected to the LINK network and being used.
<b>ATMs No Longer Transacting</b>	<b>127 (5%)</b>	<b>+27</b>	<b>An ATM that is not active (reason will need investigating to confirm if permanently closed, or if the closure is temporary due to operational issues such as an upgrade or machine change). In September, 41 Protected ATMs were identified as no longer transacting. 14 Protected ATMs that had previously stopped transacting subsequently came back online or were replaced making a net change of 27.<sup>2</sup></b>

ATMs No longer Transacting	127 (5%)	+27	In September, 41 Protected ATMs were identified as not transacting but 14 that had previously stopped transacting and were under investigation with Members in previous months resumed transacting in August giving a net change of +27.
Temporarily Out of Action	13	+5	Temporary issue with site, plan in place to re-install.
Investigations with Operator Underway	39	-29	Under investigation. See note overleaf on changes to methodology.
<b>ATMs Confirmed as Closed</b>	<b>75 (3.2%)</b>	<b>+51</b>	<b>Free-to-use ATM permanently closed or switched to pay-to-use.</b>

ATMs Confirmed as Closed	75 (3.2%)	+51	As above.
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<sup>1</sup> There have been 2 ATMs removed and one ATM added to the list from last month, this is where correct location data has caused a change to an ATMs Protected status.

<sup>2</sup> The 101 ATMs reported as no longer transacting in July has been adjusted by 1 to account for the net difference in the number of Protected ATMs



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ATMs Not Being Replaced	52	+43	Locations where consumer have free access to cash over the counter from the Post Office (36), or where the site was not accessible to the general public, e.g. inside a corporate building (14), or where there is a security issue (2).
<b>ATMs Targeted for Replacement</b>	<b>23 (1%)</b>	<b>+8</b>	<b>Subsidies are being offered.</b>

ATM Targeted for Replacement now resolved	5	+5	Where a targeted for replacement site has now got free access to an ATM.
ATMs Not Replaced after 2 months	Nil	Nil	After 2 months from the premium offered, further assessment, and additional subsidies considered.

A list of the 75 locations where ATMs are Confirmed as Closed is included with this Report.

Where an ATM is confirmed as closed, LINK assesses whether there is a Post Office counter service nearby as an alternative method for consumers to access their cash. If there is not a Post Office and the previous ATM was publicly accessible, then the area will be designated as “ATM Targeted for Replacement”. LINK does not own or operate ATMs and the siting of ATMs is a competitive market for ATM operators who choose to deploy where it makes sense for them to do so commercially. LINK therefore offers premiums to operators to support the deployment of a free-to-use ATM in locations designated as “ATMs Targeted for Replacement”. Where an operator commits to an installation, it can take a number of months for the ATM to be replaced. This period can vary depending on a number of factors e.g. the time it may take to find a suitable and willing retailer, negotiating commercial contracts, buildings works or potentially planning consents.

Changes to LINK Methodology - The process for how Protected ATMs are assessed has changed since July’s Footprint Report. All ATMs no longer transacting are now checked with LINK operators to understand the specific circumstances of the site before being assessed for further action. As the specific circumstances of each Protected ATMs are known, machines will be categorised with their latest position under the Current Position column.

### Financial Inclusion Programme Update

See separate attachment.

### Interchange Strategy Changes

On 16<sup>th</sup> July 2018, LINK announced changes to future interchange rates, canceling the third 5% cut due in 2020 and putting on hold the fourth due in 2021. LINK has not made any further changes to its interchange strategy since this date.